

**Montgomery County Green Bank Special Board of Directors Meeting
Thursday August 29, 2019 at 8:00 AM**

155 Gibbs St; 4th Floor Conference Room; Rockville, MD 20850

Special Board of Directors Meeting Minutes

1. Montgomery County Green Bank (“the MCGB”) Board of Directors (“Board”) Chair Bert Hunter called the meeting to order at 8:04 AM.

Mr. Hunter asked Mr. Deyo to do the roll call, which confirmed the attendance of the following, all of whom participated in the meeting by phone:

- Ms. Hope Brown (Board Secretary), Vice President and Chief Compliance Officer, Calvert Research and Management/Calvert Funds
- Mr. Michael Gergen, Partner, Latham & Watkins
- Mr. Bert Hunter (Board Chair), Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Mr. Brian Marconi, Partner, Cohn Reznick LLP
- Ms. Marcene Mitchell, Global Head, Climate Strategy and Business Development, IFC/World Bank Group
- Ms. Bonnie Norman (Board Vice Chair), President, E3 International, LLC
- Mr. Adam Ortiz, Director, Department of Environmental Protection (“DEP”), Montgomery County
- Mr. Robert Sahadi, Managing Principal, GreenSpace Investment

A quorum was present.

Absent Board members:

- Mr. Robert Hagedoorn, Chief of Fiscal Management, Department of Finance, Montgomery County
- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission
- Ms. Stacy Swann (Board Vice Chair), CEO and Founding Partner, Climate Finance Advisors, Benefit LLC

Other meeting attendees included:

- Ms. Mary Casciotti, Montgomery County Department of Finance
- Mr. Thomas Deyo, CEO, the MCGB
- Mr. Joshua Myers, Administrative Assistant, the MCGB
- Ms. Rosemarie Sabatino, Director of Business Operations, the MCGB

2. Public Introductions and Comment

Due to all Board members participating in the meeting by phone, Mr. Hunter requested Mr. Deyo take the lead in roll call and initial announcements. Mr. Deyo noted that the public had been notified of the meeting and that no members of the public were present in the meeting room.

With no public introductions needed, Mr. Deyo moved the meeting to the first item on the agenda.

3. Approval of the Agenda

Mr. Hunter reviewed the agenda for all Board members and thanked everyone for their participation. Mr. Hunter asked if there were any requests to adjust the agenda. None were offered.

4. General Business

Mr. Hunter next turned to the first resolution being brought forward for discussion. Mr. Hunter stated that the matter of hiring a Chief Investment Officer (“CIO”) arose during a discussion held at the closed Board meeting of Board members and the Special Advisor on May 1, 2019. Following the determination to create the position, a position description was developed by Mr. Hunter, Ms. Norman, Mr. Swann, Ms. Brown (“Board Leadership”), Mr. Sahadi, and Mr. Marconi. A draft of position description was shared with Mr. Deyo, and follow-on conversations were held. The final position description and related memorandum from the Board Leadership was included in the Board meeting materials. Mr. Hunter added that he held telephone conversations on August 20 with those Directors who were available (Ms. Mitchell, Mr. Gergen, and Mr. Ortiz) and in those discussions, Mr. Hunter had reviewed the memorandum and position description that had been distributed to the Board.

Mr. Hunter then noted that he would read the resolution and then discussion would take place after he accepted a motion to move the resolution forward. Mr. Hunter then read the following resolution:

R.1. Approval of Chief Investment Officer

A MOTION TO APPROVE a) the position of Chief Investment Officer (“CIO”) as provided in the Bylaws of the Montgomery County Green Bank at Sections 3.1 and 3.4 and b) the publication of the job description and the conducting of the search and hiring process for this CIO position as outlined in the Memorandum presented to the Board by the Board Leadership dated August 18, 2019.

Mr. Gergen moved the motion; Ms. Brown seconded.

Mr. Hunter then asked for any questions or discussion points. Mr. Deyo requested a clarification on whether Mr. Hunter held any telephone discussions with Mr. Hagedoorn and Mr. Marks similar to those with Ms. Mitchell, Mr. Gergen, and Mr. Ortiz. Mr. Hunter answered that Mr.

Hagedoorn said he could not attend the Board meeting and Mr. Marks said he would be at the Board meeting. No further questions were raised or discussion was held.

Mr. Hunter then called for a roll call vote for the resolution. The vote was recorded as the following:

Mr. Hunter – Aye
Ms. Norman - Aye
Ms. Brown – Aye
Ms. Mitchell – Aye
Mr. Sahadi – Aye
Mr. Marconi – Aye
Mr. Gergen – Aye
Mr. Ortiz – Aye

All in Favor: 8
All Opposed: 0
Abstained: 0

Mr. Hunter then asked Mr. Deyo to introduce the transaction under consideration with the Clean Energy Federal Credit Union (“CEFCU”) for a loss reserve agreement that would enable the MCGB to bring a residential energy efficiency and renewable energy loan program to Montgomery County single family homeowners.

Mr. Deyo stated that a resolution was being brought to the Board for approval to enter into a loss reserve agreement with the CEFCU, which is located in Colorado but operates nationally. The CEFCU began business a little over a year ago and was specifically formed to support clean energy financing across the country. Mr. Deyo noted that the MCGB had looked into partnering with the CEFCU in the Fall 2018 when the MCGB had conducted due diligence for a residential loan product. However, at that time, the CEFCU was very new with little loan production in its portfolio and it had a very paper intensive application process that did not line up with the needs of our market. The MCGB reconnected with the CEFCU in April 2019 and found the CEFCU had made advancements. CEFCU had developed a larger loan portfolio and some online technology for applications and it was negotiating loss reserve agreements with the Connecticut Green Bank, Michigan Saves, and the state of Colorado. The CEFCU also had an existing loss reserve agreement with the City of Boulder, Colorado. Mr. Deyo asked if Mr. Hunter wanted to add any other details for the Board. Mr. Hunter acknowledged the great achievement of the MCGB staff to get this loss reserve agreement structure completed in just four months where he understood other such agreements with the CEFCU had taken much longer to complete.

Ms. Norman asked Mr. Deyo to clarify whether the CEFCU would be financing solar PV under the MCGB program. Mr. Deyo confirmed that they would.

Mr. Hunter then read aloud the closing statement resolution:

R.2: Closing Statement

This closing statement, which was prepared by CEO, Tom Deyo, and, I, Bert Hunter, Chairperson of the Board of Directors, attest to its compliance with the Maryland Open Meetings Act. Per §3-305(d) of the Maryland Open Meetings Act, I move to convene a closed session.

In this closed session, the Board of Directors will discuss certain matters related to the investment of public funds of the Montgomery County Green Bank, per the “investment of public funds” exception §3-305(b)(5).

Mr. Hunter moved the motion; Ms. Norman seconded. Mr. Hunter then asked for a voice vote on the motion, and the motion was approved unanimously. No one opposed it. There were no abstentions.

Board meeting entered closed session at 8:28 AM.

The Board meeting ended closed session at 8:41 AM.

Upon the Board meeting exiting closed session, Mr. Hunter read aloud the following resolution for consideration.

R.3: Approval of the MCGB Transaction/Investment No. 4: Clean Energy Federal Credit Union (“CEFCU”) as a Participating Lender under the Homeowner Loan for Energy Efficiency and Renewable Energy program under a Loss Agreement

A MOTION TO APPROVE a) the proposed transaction of Clean Energy Federal Credit Union (“CEFCU”) as an approved lender in the Homeowner Loan for Energy Efficiency and Renewable Energy program and b) the terms of the Loss Reserve Agreement (Agreement”) between Montgomery County Green Bank (“the MCGB”) and CEFCU presented to the Board on August 29, 2019.

This approval includes the following conditions:

- There will be a maximum allocation of \$100,000 of the MCGB capital to support this transaction.
- The Agreement may have technical and non-material changes after final presentation to CEFCU and any final negotiated Agreement are to be presented to the Board Leadership for final approval.
- Any and all adjustments to a final signed Agreement shall be treated as an Amendment to the Agreement with CEFCU and shall be reviewed and approved by the Board. Except that the Board authorizes the BOD Investment Committee to approve any non-material changes to the Agreement, including changes to the Initial Capital Reserve of the Agreement.

Ms. Mitchell moved the motion; Mr. Marconi seconded. Mr. Hunter requested a roll call vote be taken, and the vote reads as such:

- Mr. Hunter – Aye
- Ms. Norman - Aye
- Ms. Brown – Aye

Ms. Mitchell – Aye
Mr. Sahadi – Aye
Mr. Marconi – Aye
Mr. Gergen – Aye
Mr. Ortiz – Aye

All in Favor: 8
All Opposed: 0
Abstained: 0

Mr. Hunter next asked if Mr. Deyo had any further announcements besides reminding the Board members of the upcoming regular Board of Directors Meeting on September 11, 2019. Mr. Deyo stated that he did not.

Mr. Hunter then moved to adjourn the meeting; Mr. Ortiz seconded.

Mr. Hunter asked for a voice vote on the motion, and the motion was unanimously approved. No one opposed the motion and there were no abstentions.

Meeting was adjourned at 8:46 AM.